Agricultural Refrigerated Truck Quarterly

Transportation Services Division
Transportation and Marketing Programs
Agricultural Marketing Service
U.S. Department Of Agriculture

2nd Quarter 2008
Apr - June

Contents

Quarterly Overview

USDA Fruit and Vegetable Industry Advisory Committee to Meet in September. The USDA Fruit and Vegetable Industry Advisory Committee will meet on September 8, 2008. The meeting will be held from 8:00 a.m. to 5:00 p.m. at the Crowne Plaza Hotel, 1480 Crystal Drive, Arlington, Virginia. Meeting topics will include: market news reporting of fruits and vegetables, Perishable Agricultural Commodities Act license fees, and the restructure of the fresh fruit and vegetable grading program at terminal markets, among other items.

Fruit and Vegetable Shipments

- **Reported U.S. truck shipments of fresh produce were** 20.9 billion tons, 57 percent higher than the previous quarter and 20 percent higher than the same quarter last year.
- Together **California and Mexico accounted for 45 percent** of the total reported shipments of fresh fruits and vegetables during 2nd quarter, 2008**.** A total of **9.3 billion tons was shipped** from these 2 regions**.**
- The following **top 5 commodities accounted for 50 percent** of the market during 2nd quarter 2008:
  - Potatoes (15 %)
  - Watermelon (11%)
  - Lettuce (9%)
  - Onions (8%)
  - Tomatoes (7%)

Truck Rates

- **Reported average truck rates for U.S. produce shipments** were $2.36 per mile, 28 percent higher than 1st quarter 2008, and 12 percent higher the same quarter last year. Many regions have experienced increases in production after recovering from severe weather conditions, and supply shortages which occurred during last year.
- During 2nd quarter 2008, the **average rate per mile** for shipments from the **Great Lakes** ranged between $3.11 -$3.37, the highest during the quarter. Rates from the **Pacific Northwest** were the lowest ranging from $1.77 - $1.79.
- **Mexico truck rates for crossings through Arizona increased 14** percent compared to the previous quarter and 19 percent compared to 1st quarter 2007. **Border crossings through Texas** increased 13 compared to the previous quarter and 20 percent compared to 1st quarter 2007.

Diesel Fuel

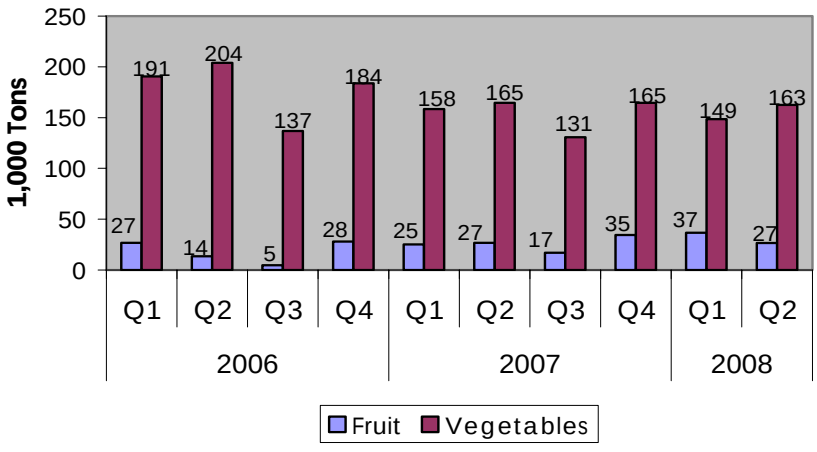
- 2nd quarter 2008 **U.S. diesel fuel price averaged $3.57 per gallon**—1 percent higher than last quarter and 27 percent above the same quarter last year.
- **Average ultra low sulfur diesel prices increased** 24 percent from last quarter to $4.43 per gallon.
- **Average low sulfur diesel prices also increased** 25 percent from last quarter to $4.34 per gallon.

Market Highlights

Reported Shipments of Organic Produce Decline During 2nd Quarter 2008. Truck shipments of organic produce totaled 33,000 tons during the 2nd quarter 2008. Organic apple shipments accounted for 29 percent of all reported shipments followed by strawberry shipments which accounted for 25 percent during the 2nd quarter. Regionally, shipments from Central California totaled 14,750 metric tons (mt), accounting for 45 percent of all organic movements during the quarter. Organic produce shipments from Central California included celery (100 mt), potatoes (6,050 mt), raspberries (1,400 mt) and strawberries (7,200 mt). Organic shipments have reached 157 million pounds since the Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch first began reporting organic produce movements in December 2007.

Rail Shipments of Fresh Fruits and Vegetables Follow Seasonal Pattern. Reported rail shipments of fresh fruits and vegetables were over 189,000 tons, an increase of 2 percent compared to the previous quarter. However, shipments were down 1 percent compared to over 191,000 tons shipped during 2nd quarter 2007. Vegetable shipments continue to dominate rails movements during the 2nd quarter, 2008. During this period over 325 million pounds of vegetables were reportedly shipped by rail, accounting for 86 percent of all produce movement by rail (see figure below). During the previous quarters vegetable shipments have accounted for between 80 to 96 percent of rail movements. Potatoes were the dominating commodity accounting for 73 percent of vegetable rail movements since 2006. Idaho potato shipments accounted for 55 percent of potato movements by rail followed by Central California which accounted 25 percent of potato shipments. Regionally, fruit and vegetable rail shipments from the Pacific Northwest; which increased 1 percent compared to 2nd quarter 2007, accounted for 59 percent of rail shipments for 2nd quarter 2008, followed by California which accounted for 30 percent of shipments.

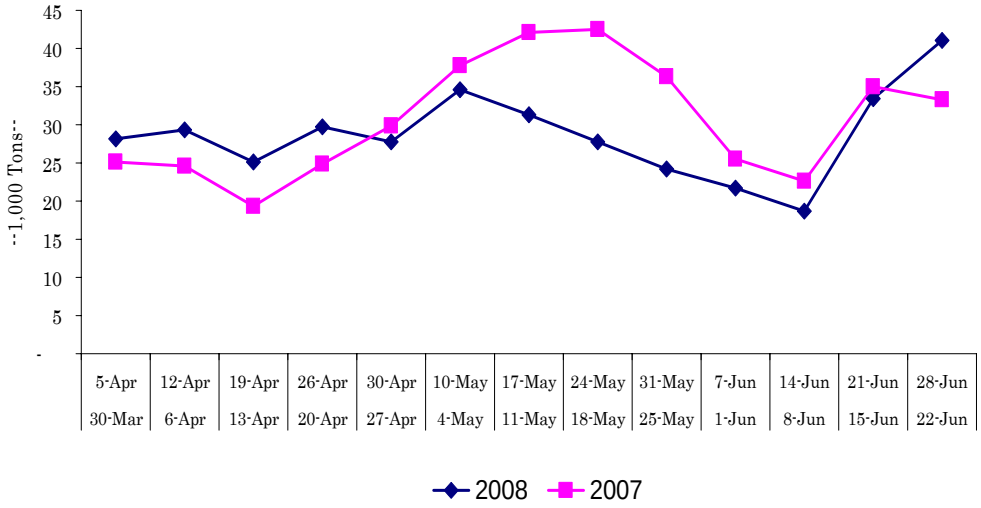
Fruit and Vegetable Rail Shipments



Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Markets News Branch

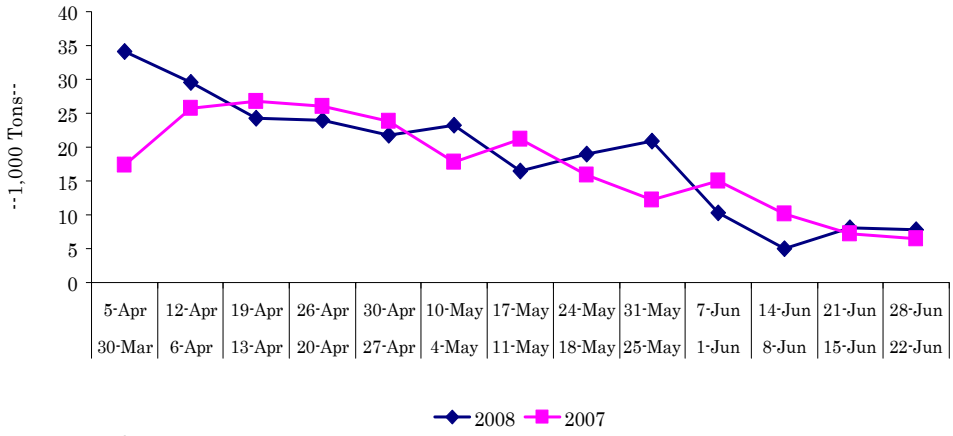
Tomato Shipments Affected by Salmonella Outbreak. During the beginning of 2nd quarter 2008, tomato shipments were at or above 2007 levels. However, shipments began to decline in response to an outbreak of Salmonella *Saintpaul* in which tomatoes were initially suspected in over 1,200 illnesses in 34 States since April 2008. Shipments of tomatoes, excluding grape and cherry varieties, declined between 7-35 percent during the weeks following the announcement of reported illnesses. As retailer, restaurant, and consumer confidence began to slowly recover, shipments began to rebound with over 82 million pounds of tomatoes shipped by the end of 2nd quarter. U.S. imports of tomatoes from Mexico did show some decline during the 2nd quarter but for the most part were at or above last year's level. Tomato shipments from Mexico were lower due to a reduction in acreage in response to low price in 2007. First quarter Florida production was affected by a freeze in early January. Camia.Lane@usda.gov.

Chart 1. Weekly U.S. Fresh Tomatoe Shipments



Source: Agricultural Marketing Service, Fruit and Vegetable Programs
Excludes: cherry, grape and vine attached tomatoes

Chart 2. U.S. Imports of Mexico Tomatoes



Source: Agricultural Marketing Service, Fruit and Vegetable Programs

Regulatory News/Updates

The American Trucking Associations Calls on Congress to Address Fuel Cost. The American Trucking Associations called on Congress to support the trucking industry's efforts to reduce fuel consumption, address the rising cost of diesel fuel, and ensure an affordable fuel supply for the nation's 3.5 million truck drivers and American consumers. In Conressional to testimony, ATA asked the government to implement a plan that ensures transparent petroleum markets free from excessive speculation and manipulation, cuts petroleum demand and expands the petroleum supply. "Our industry can't simply absorb this rapid increase in fuel costs, we must pass some of these cost through to our customers, which ultimately translate into higher prices on the store shelves." Fuel prices have been steadily moving up since quarter 2, 2007, (see figure 2 on pg. 8).

The Transportation Worker Identification Credential (TWIC) Program Delayed. The Department of Homeland Security has delayed the date for all port workers to have the TWIC card from September 25, 2008, to April 15, 2009. Beginning October 15, 2008, U.S. Coast Guard personnel will begin compliance phase of the TWIC enforcement at port zones. According to the Transportation Security Administration, the "realignment of the enforcement date fulfills a promise to the industry to have an 18-month enrollment period before TWIC becomes mandatory. It is anticipated that more than 1 million workers including longshoremen, truckers, port employees and others will be required to obtain a TWIC. Over 219,000 cards have been activated as of July 24, 2008.

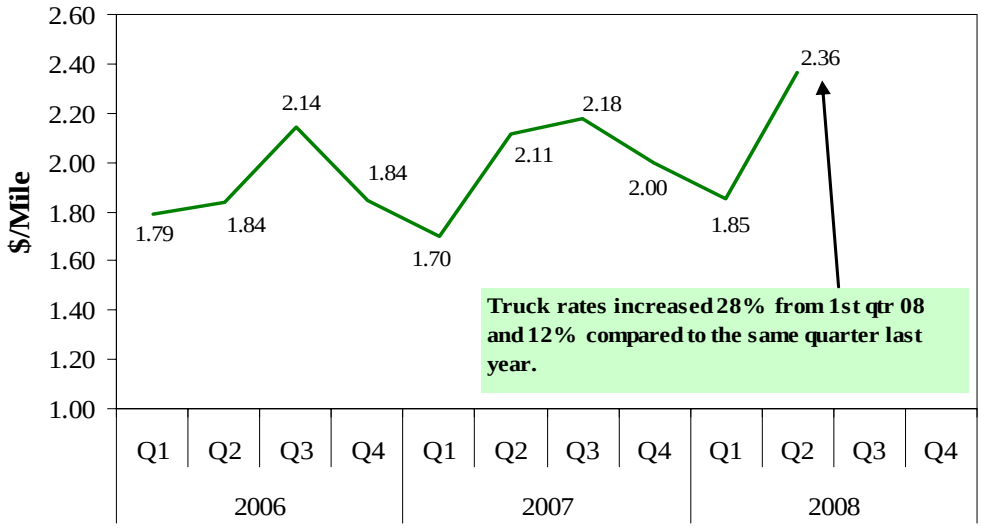
Heavy-Duty Vehicle Greenhouse Gas Emission Reduction Measure. On July 25, the California Air Resources Board proposed draft regulations that will require the use of Environmental Protection Agency's SmartWay Program technologies to reduce aerodynamic drag and tire rolling resistance for 2011 and subsequent model year heavy-duty tractor and 53-foot trailer combinations in California. The requirements will be phased in by 2014 for 2010 and previous model year tractors and trailers. Drivers, carriers, brokers, shippers, receivers, and owners of the tractors and trailers will be liable for failure to comply with the regulations during loading, transportation, and unloading. For additional information please click on Heavy-Duty Vehicle Greenhouse Gas Reduction Measure. Separately, on July 22 the board has revised the optional requirements for small fleets in the latest draft regulation to reduce diesel particulate matter (PM) and other emissions from in-use heavy-duty diesel powered vehicles operating in California. For additional information please click on Heavy-Duty In-Use Vehicle Regulation.

Update on Transport Refrigeration Units in California. The California Air Resources Board (ARB) anticipates that U.S. Environmental Protection Agency (EPA) will grant a waiver of preemption under the federal Clean Air Act for its Transport Refrigeration Unit (TRU) Airborne Toxic Control Measure (ATCM). Compliance with the first phase of implementation is not required by TRU owners and operators until December 31, 2008. Pending the EPA decision, ARB will enforce all other requirements of the regulation (e.g. Facility Report, ARB Identification Number, and Operator Report). Facility reports for "large" facilities with 20 or more loading spaces serving refrigerated storage areas were due January 31, 2006 and operator reports and ARB Identification Number applications are due by January 31, 2009. For additional information please click on Transport Refrigeration Units (TRUs).

FMCSA Announces Extension of Cross-Border Truck Program. On August 4, the Federal Motor Carrier Safety Administration (FMCSA) announced that it plans to extend a pilot program allowing Mexican long-haul trucks to operate in the United States for an additional 2 years. The program, which has operated without incident since it began last year, has met opposition from US truckers, consumer health and safety groups, and members of Congress. These interests argue that Mexican drivers are not obliged to maintain the same environmental and safety standards as their American counterparts. The House Transportation and Infrastructure Committee approved a bill that would eliminate funding for the program. The full House of Representatives could vote on the bill as early as September, when Congress reconvenes following its summer recess.

U.S. Truck Rates

Figure 1: Average Truck Rates for Selected Long Haul Routes ($/Mile)



Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch
Note: Actual rates reported in table 1.

Table 1: Average U.S. Truck Rates for Selected Long-Haul Routes ($/Mile)

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	*Annual
2008	1.85	2.36			
2007	1.70	2.11	2.08	2.00	1.97
2006	1.79	1.84	2.14	1.84	1.90
2005	1.56	1.88	2.10	2.08	1.91
2004	1.35	1.63	1.81	1.76	1.64

*Annual: Weighted average rate for all 4 quarters.
Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

Table 2: Quarterly Rates for Key Origins by Month ($/Mile)

	2nd Qtr 2008			1st Qtr 2008		
Origin	Apr	May	June	Jan	Feb	Mar
Arizona	2.13	2.30	2.83	2.13	1.90	2.01
California	2.24	2.49	2.98	2.07	1.87	2.02
Florida	2.20	2.85	2.61	1.98	1.91	1.97
Great Lakes	3.11	3.18	3.37	2.99	2.96	3.07
Mexico - Arizona	2.15	2.32	2.80	2.00	1.82	2.08
Mexico - Texas	2.18	2.39	2.49	1.86	1.83	2.03
PNW	1.77	1.76	1.79	1.74	1.80	1.74
Texas	2.39	2.75	2.62	n/a	n/a	n/a

Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch
Note: "n/a" indicates rates not available.
Note: The rates for 8 long-haul fruit and vegetable truck corridors are included in the national rate, weighted by commodity and origin volume.

Truck Rates for Selected Routes and Commodities

Table 3: Origin-Destination Truck Rates for Selected Routes and Commodities, 2nd Qtr 2008 ($/Mile)

Origin	Commodity	Destination							
		New York	Atlanta	Chicago	Boston	Baltimore	Miami	Philadelphia	Seattle
Arizona	Lettuce	2.33	2.44	2.08	2.15	n/a	n/a	2.31	1.55
California	Asparagus	2.21	2.27	2.17	2.14	2.22	1.99	2.20	3.67
	Carrots	2.43	2.48	2.38	2.30	2.39	2.11	2.38	3.95
	Cherries	2.99	3.12	n/a	2.84	3.02	2.61	n/a	4.77
	Grapes	2.65	2.68	2.71	2.46	2.64	2.30	n/a	n/a
	Lettuce	2.49	2.58	2.45	2.37	2.61	2.28	2.47	4.11
	Mixed Vegetables	2.46	2.49	2.42	2.35	2.44	2.12	2.42	3.93
	Onions	2.11	2.27	2.07	2.14	2.04	1.76	1.91	n/a
	Other Citrus	2.33	2.35	2.31	2.24	2.28	2.03	2.30	3.78
	Peaches	2.42	2.59	2.53	2.37	2.37	2.08	2.39	3.99
	Peppers	2.93	3.00	3.00	2.78	2.93	n/a	n/a	n/a
Florida	Melons	3.27	3.31	2.26	2.77	2.57	n/a	2.56	n/a
	Mixed Vegetables	3.19	3.57	2.19	2.66	2.63	n/a	2.62	n/a
	Other Citrus	3.10	3.52	2.15	2.60	2.56	n/a	2.53	n/a
	Potatoes	3.17	2.92	2.20	2.46	2.43	0.25	2.34	n/a
	Tomatoes	3.27	3.56	2.25	2.68	2.69	n/a	2.67	n/a
Great Lakes	Apples	n/a	2.47	3.97	n/a	n/a	2.11	3.02	n/a
	Onions	3.85	2.63	2.86	3.24	3.68	2.45	3.22	n/a
	Potatoes	4.04	2.80	3.24	3.57	3.88	2.61	3.52	n/a
Mexico - AZ	Tomatoes	2.38	2.12	1.98	2.36	2.29	2.15	2.43	n/a
	Onions	2.29	2.45	2.17	2.39	2.38	2.32	2.22	n/a
	Peppers	3.32	3.58	3.32	3.11	3.41	n/a	n/a	n/a
	Asparagus	2.27	2.41	2.02	2.19	n/a	n/a	2.25	1.46
Mexico - TX	Other Citrus	2.17	2.36	1.84	2.07	n/a	2.46	2.19	n/a
	Watermelon	2.21	2.43	1.90	2.12	n/a	n/a	n/a	n/a
Pacific Northwest	Apples	2.21	2.30	2.15	1.97	2.06	1.85	2.03	0.32
	Onions	1.96	1.67	1.64	1.71	1.66	1.58	1.67	n/a
	Potatoes	1.86	1.63	1.52	1.71	1.67	1.57	1.63	n/a
Texas	Onions	2.58	2.57	2.44	2.46	2.48	2.42	2.47	n/a
	Watermelon	2.73	3.00	2.42	2.51	n/a	n/a	2.95	n/a

Note: "n/a" indicates rates were not available or there was insufficient data to report rates for that route and commodity
Source: AMS, Fruit and Vegetable Programs, Market News Branch

Truck Rates for Selected Routes and Commodities

Table 4: Origin-Destination Truck Rates for Selected Routes and Commodities, 2nd Qtr 2008 ($/Truck)

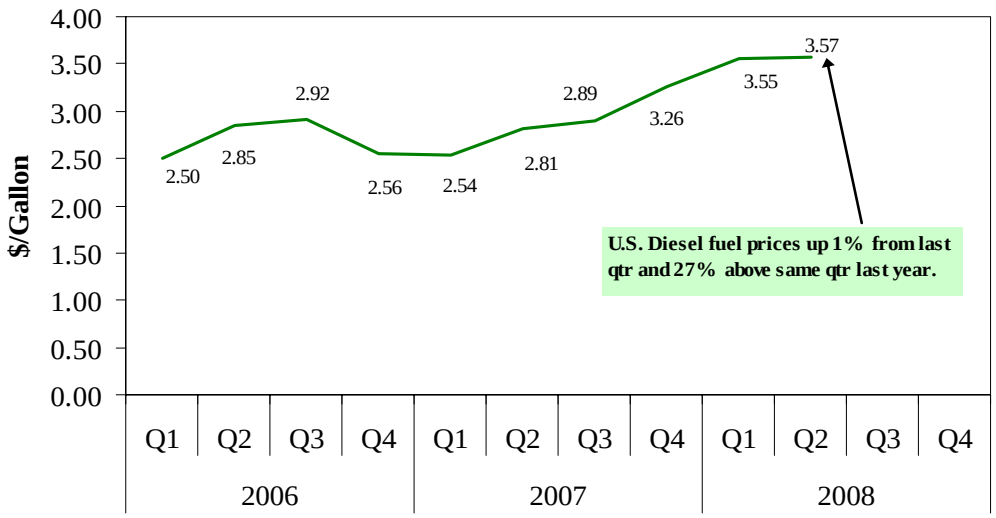
Origin	Commodity	Destination							
		New York	Atlanta	Chicago	Boston	Baltimore	Miami	Philadelphia	Seattle
Arizona	Lettuce	5,750	4,500	3,750	5,800	n/a	n/a	5,550	2,550
California	Asparagus	6,200	4,985	4,335	6,442	6,058	6,200	6,150	2,762
	Carrots	6,792	5,446	4,758	6,950	6,542	6,579	6,642	2,967
	Cherries	8,367	6,867	n/a	8,583	8,250	8,150	n/a	3,583
	Grapes	7,433	5,892	5,417	7,408	7,225	7,183	n/a	n/a
	Lettuce	6,975	5,667	4,895	7,155	7,144	7,119	6,880	3,089
	Mixed Vegetables	6,892	5,475	4,842	7,104	6,667	6,608	6,750	2,954
	Onions	5,897	4,988	4,131	6,450	5,590	5,482	5,321	n/a
	Other Citrus	6,528	5,178	4,611	6,761	6,233	6,344	6,417	2,839
	Peaches	6,775	5,700	5,050	7,150	6,475	6,500	6,675	3,000
	Peppers	8,200	6,600	6,000	8,400	8,000	n/a	n/a	n/a
Florida	Melons	3,595	1,325	2,718	4,185	2,840	n/a	3,088	n/a
	Mixed Vegetables	3,507	1,429	2,625	4,029	2,907	n/a	3,157	n/a
	Other Citrus	3,408	1,408	2,579	3,933	2,825	n/a	3,042	n/a
	Potatoes	3,492	1,167	2,634	3,722	2,687	628	2,821	n/a
	Tomatoes	3,595	1,425	2,702	4,055	2,970	n/a	3,215	n/a
Great Lakes	Apples	n/a	2,150	1,150	n/a	n/a	3,150	2,350	n/a
	Onions	3,082	2,292	829	3,124	2,656	3,666	2,508	n/a
	Potatoes	3,231	2,440	939	3,444	2,800	3,896	2,742	n/a
Mexico - AZ	Tomatoes	6,089	3,800	3,983	6,243	5,300	4,900	5,733	n/a
	Onions	5,644	4,515	3,924	6,450	5,590	5,482	5,321	n/a
	Peppers	8,200	6,600	6,000	8,400	8,000	n/a	n/a	n/a
	Asparagus	5,600	4,450	3,650	5,900	n/a	n/a	5,400	2,400
Mexico - TX	Other Citrus	4,317	2,717	2,717	4,533	n/a	3,800	4,133	n/a
	Watermelon	4,400	2,800	2,800	4,650	n/a	n/a	n/a	n/a
Pacific Northwest	Apples	5,750	5,512	3,875	6,017	5,708	6,217	5,750	800
	Onions	5,102	4,013	2,961	5,223	4,596	5,305	4,735	n/a
	Potatoes	4,845	3,906	2,734	5,232	4,619	5,293	4,605	n/a
Texas	Onions	4,503	2,483	2,837	4,828	3,873	3,272	4,095	n/a
	Watermelon	4,750	2,900	2,812	4,938	n/a	n/a	4,900	n/a

Note: "n/a" indicates rates were not available or there was insufficient data to report rates for that route and commodity
Source: AMS, Fruit and Vegetable Programs, Market News Branch

U.S. Diesel Fuel Prices

The **diesel fuel price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for fruit and vegetable movements.

Figure 2: U.S. Average On-Highway Diesel Fuel Prices



Source: Energy Information Administration/U.S.. Department of Energy

Table 5: 2nd Quarter 2008 Average Diesel Fuel Prices (All Types - $/Gallon)

Location	Price	Change From Last Quarter	Change From Same Qtr Last Year
East Coast	3.63	0.02	0.82
New England	3.78	0.01	0.91
Central Atlantic	3.74	0.02	0.87
Lower Atlantic	3.56	0.02	0.79
Midwest	3.54	0.02	0.75
Gulf Coast	3.50	0.02	0.76
Rocky Mountain	3.52	0.02	0.56
West Coast	3.64	0.02	0.70
California	3.69	0.02	0.70
U.S.	3.57	0.02	0.76

Source: Energy Information Administration/U.S. Department of Energy

Ultra Low and Low Sulfur Diesel Fuel Prices

Table 6: U.S. Average Ultra Low and Low Sulfur Diesel Prices ($/Gallon)

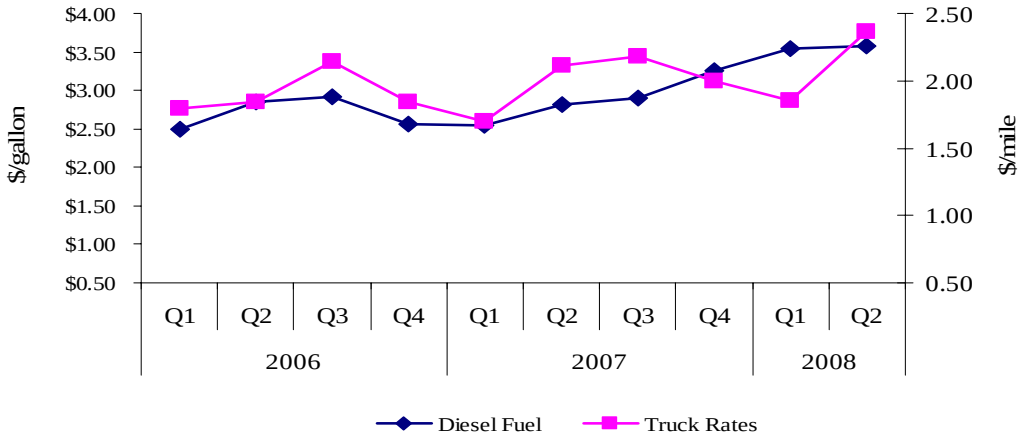
2008	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Ultra Low	3.56	4.43		
Low	3.48	4.34		

Source: Energy Information Administration/U.S. Department of Energy

Relationship Between Diesel Fuel Prices and Truck Rates

The **diesel fuel price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for fruit and vegetable movements.

Figure 3: U.S. Average On-Highway Diesel Fuel Prices and Truck Rates



Sources
Diesel Fuel: Energy Information Administration/US. Department of Energy
Truck Rate: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

Table 7: Average Diesel Fuel Prices and Truck Rates

		Diesel Fuel ($/Gallon)	Truck Rates ($/mile)	% Change From: Last Qtr		% Change From: Same Qtr Last Year	
				Diesel	Truck	Diesel	Truck
2006	Q1	2.50	1.79				
	Q2	2.85	1.84	14%	3%		
	Q3	2.92	2.14	2%	16%		
	Q4	2.56	1.84	-12%	-14%		
2007	Q1	2.54	1.70	-1%	-8%	2%	-5%
	Q2	2.81	2.11	11%	24%	-1%	15%
	Q3	2.89	2.18	3%	3%	-1%	2%
	Q4	3.26	2.00	13%	-8%	27%	9%
2008	Q1	3.55	1.85	9%	-8%	40%	9%
	Q2	3.57	2.36	1%	28%	27%	12%

Sources
Diesel Fuel: Energy Information Administration/US. Department of Energy
Truck Rate: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

2nd Quarter Comparison Analysis

During 2nd quarter 2008, trucking companies were able to pass on more of the increased cost of diesel fuel in the form of higher freight rates. Some trucking companies and owner-operator independent drivers went out of business due to the high cost of diesel fuel. This decreased the number of competitors for produce loads and allowed the remaining companies and independent drivers to increase rates. As shown in Table 8 there were significant periods in April, May, and June where a slight shortage, or a shortage of trucks was reported in Arizona, California, Florida, and Texas, as well as at Mexico border crossings.

As diesel fuel prices increase so does the cost of transportation, which in turn increases the cost of fruit and vegetables. Diesel fuel prices have a greater effect on produce haulers than other truckers because fuel is needed to run the refrigeration unit as well as the truck.

In many cases trucking companies and owner-operator independent drivers are not able to pass on the full cost increase of fuel to shippers due to existing contracts, competition, and the desire to haul some revenue producing cargo rather than an empty trailer. Some shippers refuse to pay fuel surcharges. Other shippers pay fuel surcharges, but the total amount collected may not be reported or fully reimburse those who actually pay for the fuel.

Quarterly Truck Availability

Table 8: U.S. Fresh Fruit and Vegetable Truck Availability, 2nd Qtr 2008

		Truck Availability													
		Surplus - 1			Slight Surplus - 2			Adequate - 3			Slight Shortage - 4			Shortage - 5	
Region	Commodity	Week Ending													
		4/1	4/8	4/15	4/22	4/29	5/6	5/13	5/20	5/27	6/3*	6/10*	6/17	6/24	7/1*
CALIFORNIA, ARIZONA															
Coachella Valley	Grapes								4	5	5	5	3	3	3
Imp. and Palo Verde Valley, CA & Cen. & W, AZ	Lettuce	3													
	Mixed Vegetables	3									4	5	4		
	Pepper										4	5	4	3	
	Corn										4	5	4		
Imperial & Coachella Valley	Peppers					3	3	4	4	4					
	Corn					3	3	4	4	4					
	Greenbeans					3									
	Mixed Vegetables						3	4	4	4					
Kern District	Carrots	3	3	3	3	3	3	4	4	4	4	5	4	4	3
	Potatoes										4	5	4	4	3
Salinas-Watsonville	Asparagus	2	3	3	3	3	3	3	4						
	Broccoli	2	3	3	3	3	3	3							
	Cauliflower	2	3	3	3	3	3	3							
	Lettuce								4	4	4		3	3	3
	Mixed Vegetables								4	4	4		3	3	3
	Strawberries			3	3	3	3	3	4	4	4		3	3	3
	Raspberries							3	4	4	4		3	3	3
	Blackberries										4		3	3	3
Central San Joaquin Valley	Lettuce	3	3	3	3	3									
	Mixed Vegetables	3	3	3	3	3									
San Joaquin Valley	Kiwi														
	Peaches							3	4	4	4	4	3	3	3
	Nectarines							3	4	4	4	4	3	3	3
	Apricots							3	4	4	4	4	3	3	3
	Cherries								4	4	4	4			
	Plums									4	4	4	3	3	3
Santa Maria	Mixed Vegetables	3	3	3	3	3	3	4	4	4	4	5	4	4	3
	Strawberries	3	3	3	3	3	3	4	4	4	4	5	4	4	3
South District	Citrus	3	3	3	3	3	3	3	4	5	5	5	3	2	3
	Strawberries	3	3	3	3	3	3	3	4	5					
	Raspberries	3													
	Avocadoes											5	3	2	3
Stokton Delta District	Asparagus	2	3	3	3	3	3	3	4						
Stockton-Lodi-Linden District	Cherries											5	3	3	
PACIFIC NORTHWEST (WA, ID, OR)															
WA - Columbia Basin	Onions	3	3	2	2	3	3	3	3	3	3				
	Potatoes	3	3	2	2	3	3	3	3	3	3	4	4	4	4
WA - Yakima Valley & Wenatchee District	Apples	3	3	3	3	3	3	3	3	3	3	3	3	3	3
	Pears	3	3	3	3	3	3	3	3	3	3	3	3	3	3
ID- Upper Valley, Twin Falls-Burley District	Potatoes	2	3		3	4	3	4	3	3	3	3	4	4	4
ID and Malheur Country, OR	Onions	2	3	3	3										
FLORIDA															
	Melons				4	5	5	5	5	4	3	4	5	5	
	Potatoes	3	4	3	3	3	3	5	5	4	4				
Central	Tomatoes										3	4			
Central and South	Citrus	3	4	3	4	5	5	5							
	Mixed Vegetables	3	4	3	4	5	5	5	5						
	Tomatoes	3	4	3	4	5	5	5	5	4					
GREAT LAKES (MI, WI)															
Michigan	Apples	3	3	3	3	3	3								
	Onions														
Wisconsin- Central	Onions	3	3	3	3	3	3	3	4						
	Potatoes	3	3	3	3	3	3	3	4	3	3	3			
MEXICO BORDER CROSSINGS															
Through TX	Citrus	5	4	4		3	3	4	5	5	3	3	3	3	3
	Mixed Vegetables	5	4	4		3	3	4	5	5	3	3	3	3	3
	Avocados	5	4	4		3	3	4	5	5	3	3	3	3	3
	Onions	5	4	4											
	Watermelon					3	3	4	5	5					
	Mangoes										3	3	3	3	3
	Asparagus												3	3	3
Through Nogales, AZ	Mixed Vegetables	3	3	3	3	3	3	5							
	Tomatoes	3	3	3	3	3	3	5	5	5	5				
	Melons					3	3	5	5	5	5	5	3	3	3
	Grapes								5	5	5	5	3	3	3
	Mangoes											5	3	3	3
Through Calexico, CA and San Louis, AZ	Asparagus	3	3												
TEXAS															
	Watermelons														3
Lower Rio Grande Valley	Onions	3	3	5	5	5	5	5	5	5					
South TX	Watermelons					3	3	4	5	5	3	3		3	3
	Citrus												3		
	Avocados												3		
	Mangoes												3		
	Mixed Vegetables										3	3	3	3	
San Antonio-Winter Garden-Laredo District	Onions							5	5	5	4	5	5		

Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

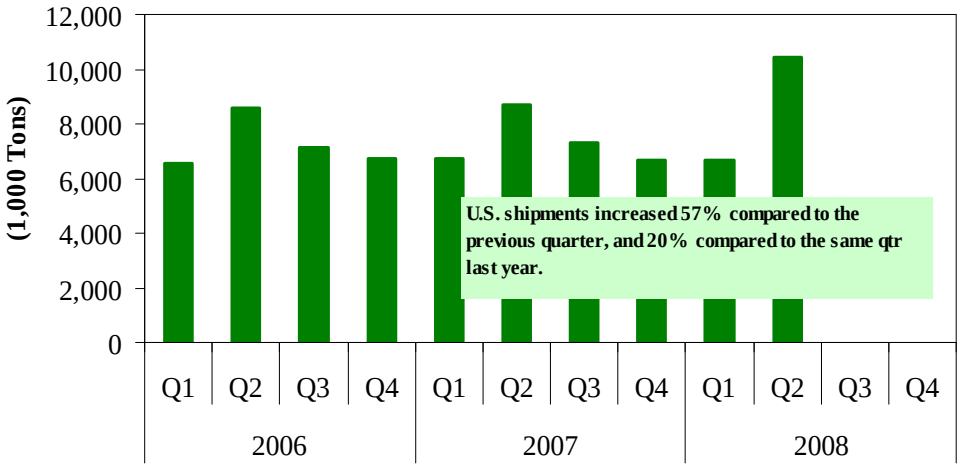
* Week ending 6/3 - Upper Valley, Twin Falls -Burley District, Idaho - Shortage to Northeast locations

* Week ending 6/10 - Upper Valley, Twin Falls -Burley District, Idaho - Shortage to Northeast locations

* Week ending 7/1 - Upper Valley, Twin Falls -Burley District, Idaho - Shortage to Northeast locations

U.S. Shipments

Figure 4: U.S. Refrigerated Fruit and Vegetable Shipments (1,000 Tons)



Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

Table 9: U.S. Refrigerated Fruit and Vegetable Shipments (1,000 Tons)

Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
2008	6,669	10,462			
2007	6,704	8,683	7,324	6,640	29,351
2006	6,542	8,595	7,140	6,733	29,010
2005	6,610	8,405	7,351	6,618	28,984
2004	6,576	8,589	6,759	6,539	28,463

Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

Shipments by Selected Commodities

Table 10: Top 10 Commodity Shipments for 2nd Qtr 2008 (1,000 Tons)

Commodity	2nd Quarter 2008	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
				Previous Qtr	Same Qtr Last Year
Potatoes	1,600	1,309	1,181	22%	36%
Watermelon	1,140	133	1,054	757%	8%
Lettuce	925	848	729	9%	27%
Onions	824	524	588	57%	40%
Tomatoes	765	628	769	22%	-1%
Apples	559	544	363	3%	54%
Cantaloupe	447	-	346	-	29%
Corn	425	92	359	362%	18%
Peppers	369	319	277	16%	33%
Strawberries	316	149	294	112%	7%

Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

California

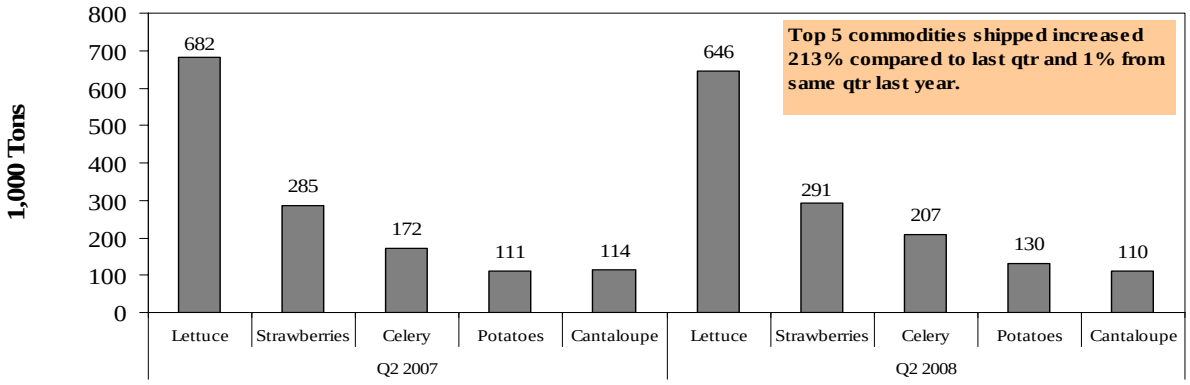
Table 11: Top Five Commodities Shipped from California (1,000 tons)

Commodity	2nd Quarter 2008	Share of California Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from: Previous Qtr	Same Qtr Last Year
Lettuce	646	26%	164	682	294%	-5%
Strawberries	291	12%	69	285	321%	2%
Celery	207	8%	158	172	31%	20%
Potatoes	130	5%	51	111	155%	18%
Cantaloupe	110	4%	-	114	-	-3%
Top 5 Total	**1,384**	**55%**	**442**	**1,364**	**213%**	**1%**
California Total	**2,518**	**100%**	**717**	**2,443**	**251%**	**3%**

Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch
"-" indicates no reported shipments during the quarter

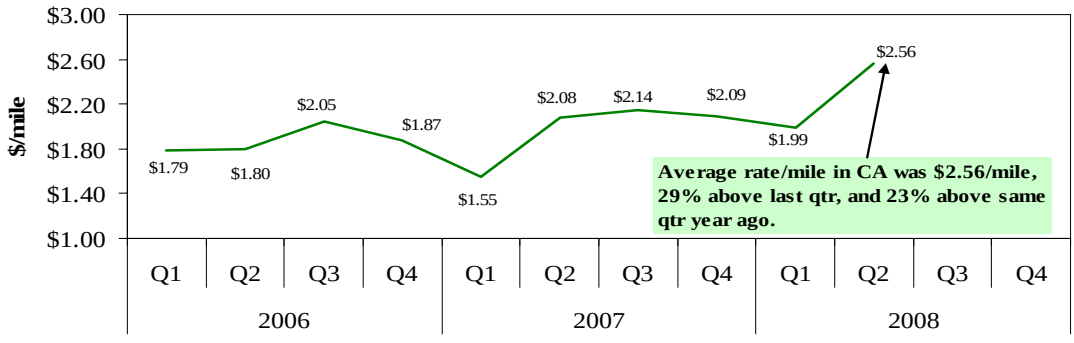
California potato shipments were strong during this quarter due a nationwide shortage. Lettuce production was reduced compared to the same quarter last year in response to low prices and reduced availability of irrigation water. Strawberries were in demand as an early January freeze reduced production in Florida.

Figure 5: Top Five Commodities Shipped from California



Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

Figure 6: California Truck Rates ($/Mile)



Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

Truck Availability Highlight, 2nd Quarter 2008

There was an adequate supply of trucks for lettuce shipments from Imperial and Palo Verde Valley districts during the week ending April 1 and for Central San Joaquin Valley district during the weeks ending April 1-April 29. There was slight shortage of trucks for lettuce shipments from Salina-Watsonville district druing the weeks ending May 20-June 3. There was a slight shortage of trucks for strawberry shipments from Santa Maria district during the weeks ending of May 13-June 3. (**See Table 8**).

Pacific Northwest

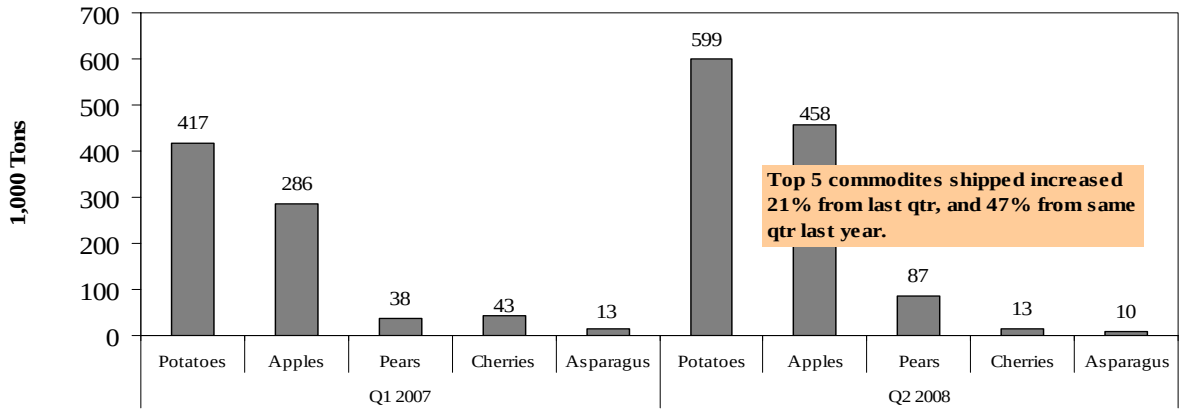
Table 14: Top Five Commodities Shipped from PNW (1,000 tons)

Commodity	2nd Quarter 2008	Share of PNW Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from: Previous Qtr	Same Qtr Last Year
Potatoes	599	51%	446	417	34%	44%
Apples	458	39%	420	286	9%	60%
Pears	87	7%	95	38	-9%	128%
Cherries	13	1%	-	43	-	-69%
Asparagus	10	1%	-	13	-	-26%
Top 5 Total	**1,167**	**100%**	**961**	**797**	**21%**	**47%**
PNW Total	**1,167**	**100%**	**953**	**797**	**22%**	**46%**

Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch
Note: "-" indicates no reported shipments during the quarter

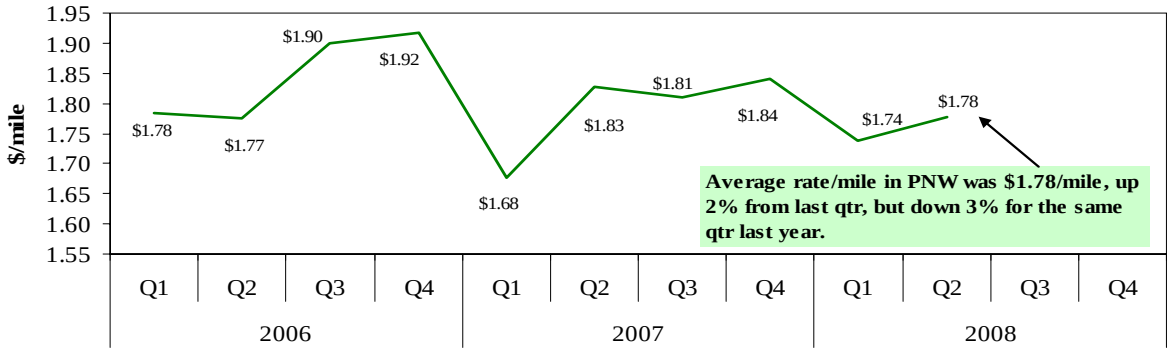
Pacific Northwest potato shipments were strong due a nationwide shortage. Cold weather limited production of cherries. A late-April freeze reduced asparagus shipments.

Figure 7: Top Five Commodities Shipped from PNW



Source: Agricultural Marketing Service, Fruit and Vegetable Programs

Figure 8: PNW Truck Rates ($/Mile)



Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

Truck Availability Highlight, 2nd Quarter 2008

There was an adequate supply of trucks for apple and pear shipments from the Yakima Valley & Wenatchee District during the weeks ending April 1- July 1. There was a slight surplus of trucks for onion and potatoes shipment from the Columbia Basin district during the weeks ending April 16-April 22. There was a slight shortage of trucks for potato shipments from the Columbia Basin district during the 4-week period ending June 10- July 1. **(See Table 8)**.

Texas

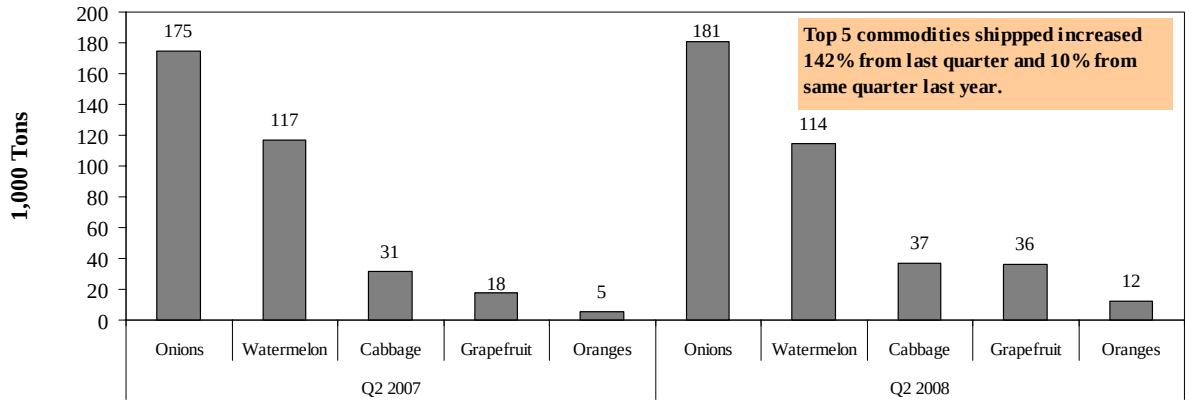
Table 15: Top Five Commodities Shipped from Texas (1,000 tons)

Commodity	2nd Quarter 2008	Share of Texas Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from: Previous Qtr	Same Qtr Last Year
Onions	181	45%	14	175	1186%	4%
Watermelon	114	28%	-	117	-	-2%
Cabbage	37	9%	48	31	-23%	17%
Grapefruit	36	9%	61	18	-41%	104%
Oranges	12	3%	27	5	-	147%
Top 5 Total	**380**	**94%**	**150**	**346**	**154%**	10%
Texas Total	**404**	**100%**	**167**	**368**	**142%**	**10%**

Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

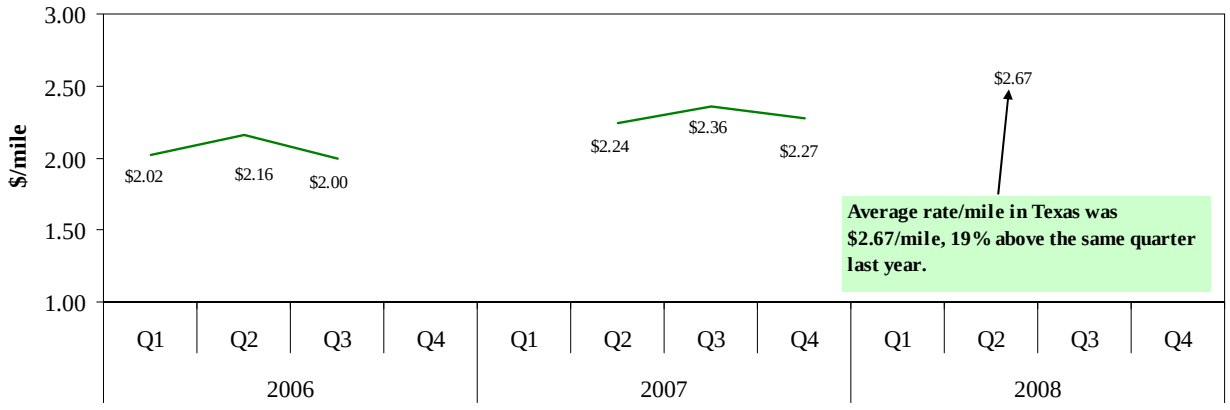
Note: "-" indicates no reported shipments during the quarter

Figure 9: Top Five Commodities Shipped from Texas



Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

Figure 10: Texas Truck Rates ($/Mile)



Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

Note: Reported rates for some quarters could not be determined.

Truck Availability Highlight, 2nd Quarter 2008

There was shortage of trucks for onion shipments from the Lower Rio Grande Valley during the weeks ending April 15-May 27 and for onions from the San Antonio-Winter Garden-Laredo District during the weeks ending May 13- May 27 and June 10-June 17. (**See Table 8)**.

Arizona

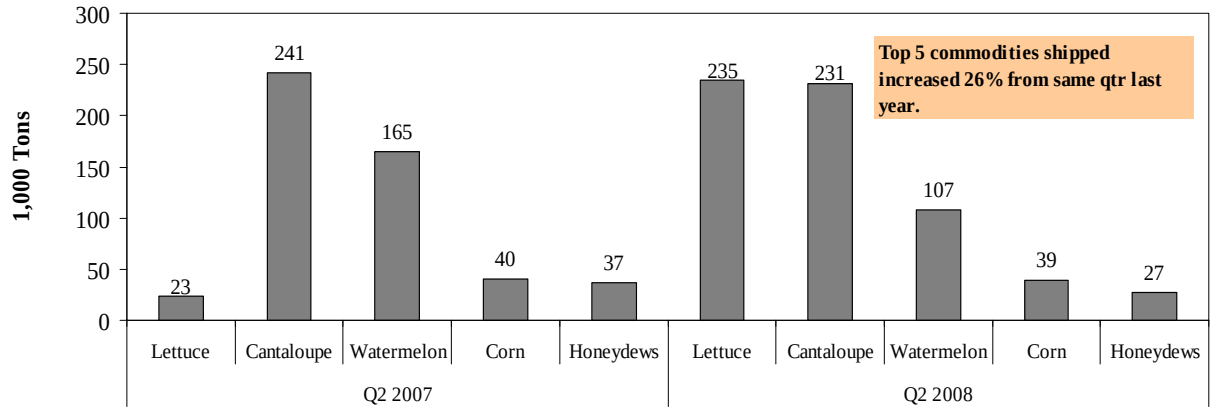
Table 16: Top Five Commodities Shipped from Arizona (1,000 tons)

Commodity	2nd Quarter 2008	Share of Arizona Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from: Previous Qtr	Same Qtr Last Year
Lettuce	235	32%	641	23	-63%	917%
Cantaloupe	231	31%	-	241	-	-4%
Watermelon	107	15%	-	165	-	-35%
Corn	39	5%	-	40	-	-3%
Honeydews	27	4%	-	37	-	-26%
Top 5 Total	**640**	**87%**	**641**	**507**	0%	**26%**
Arizona Total	**734**	**100%**	**796**	**556**	**-8%**	**32%**

Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

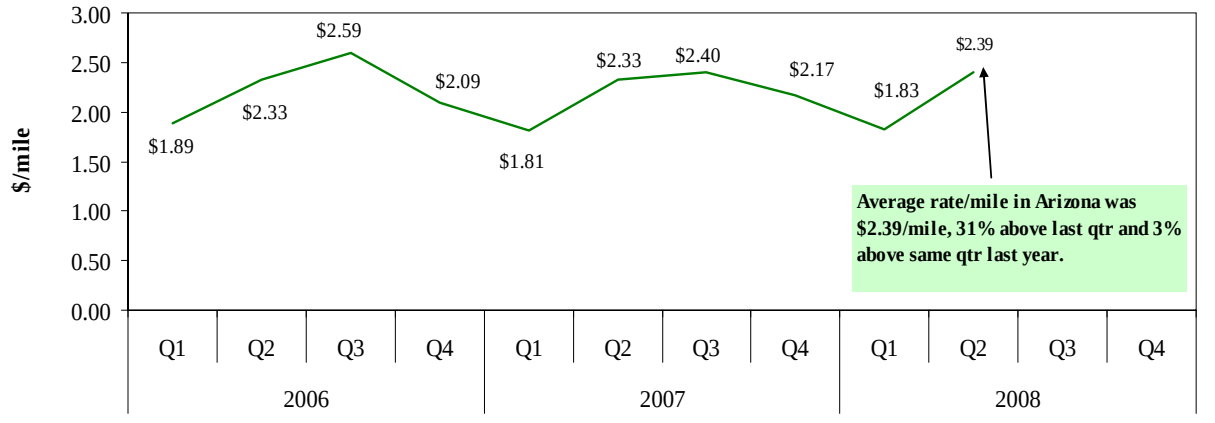
Note: "-" incdicates no reported shipments during the quarter

Figure 11: Top Five Commodities Shipped from Arizona



Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

Figure 12: Arizona Truck Rates ($/Mile)



Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

Truck Availability Highlight, 2nd Quarter 2008

There was an adequate supply of trucks for shipments of lettuce and mixed vegetables form Central and Western Arizona during the week ending April 1. (**See Table 8)**.

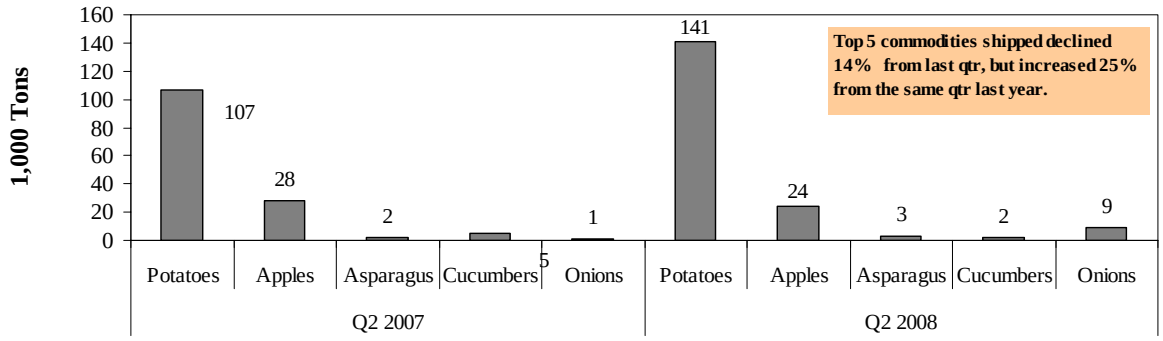
Great Lakes

Table 17: Top 5 Commodities Shipped from Great Lakes (1,000 tons)

Commodity	2nd Quarter 2008	Share of Great Lakes Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from: Previous Qtr	Same Qtr Last Year
Potatoes	141	79%	150	107	-6%	32%
Apples	24	14%	38	28	-36%	-15%
Asparagus	3	1%	-	2	-	34%
Cucumbers	2	1%	-	5	-	-63%
Onions	9	5%	21	1	-58%	592%
Top 5 Total	**178**	**100%**	**209**	**143**	**-15%**	**25%**
Great Lakes Total	**179**	**100%**	**209**	**143**	**-14%**	**25%**

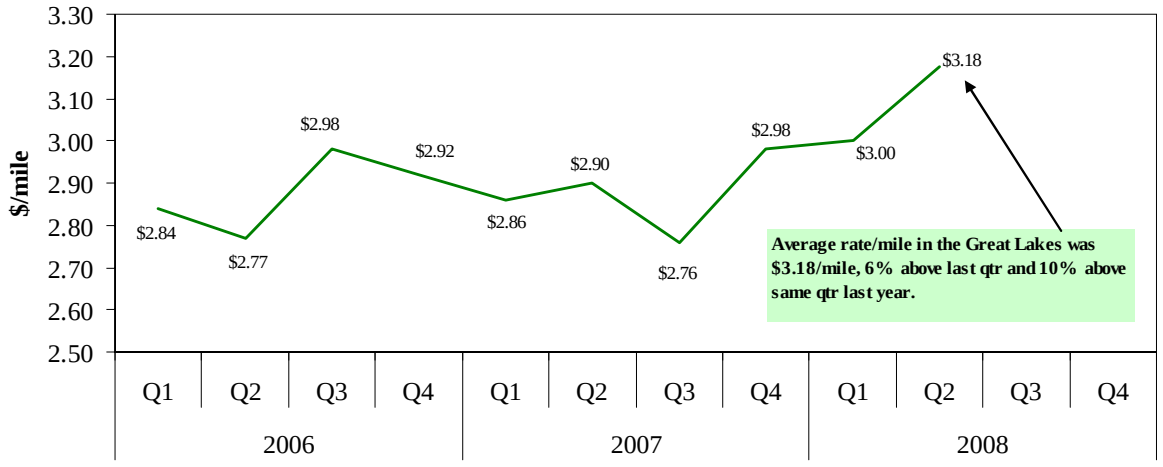
Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch
Note: "-" indicates no reported shipments during the quarter

Figure 13: Top Five Commodities Shipped from Great Lakes



Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

Figure 14: Great Lakes Truck Rates ($/Mile)



Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

Truck Availability Highlight, 2nd Quarter, 2008

There was an adequate supply of trucks for Central Wisconsin onions and potatoes for during the 7 week period from the weeks ending April 1 - March 13. There was also an adequate supply of trucks for potatoes during the weeks ending May the 27 - June 10. **(See Table 8).**

Florida

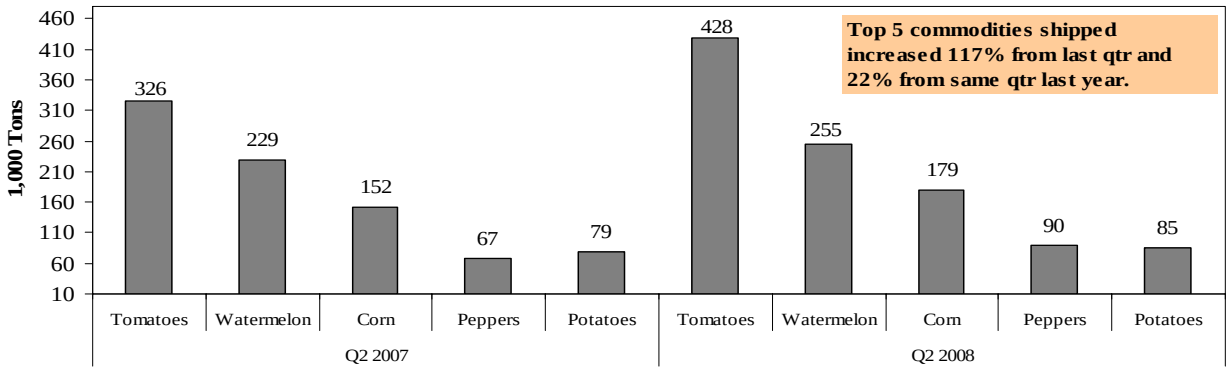
Table 18: Top Five Commodities Shipped from Florida (1,000 tons)

Commodity	2nd Quarter 2008	Share of Florida Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from: Previous Qtr	Same Qtr Last Year
Tomatoes	428	30%	296	326	45%	31%
Watermelon	255	18%	51	229	402%	12%
Corn	179	13%	12	152	1336%	18%
Peppers	90	6%	100	67	-10%	34%
Potatoes	85	6%	19	79	339%	8%
Top 5 Total	**1,038**	**74%**	**479**	**852**	**117%**	**22%**
Florida Total	**1,408**	**100%**	**912**	**1,129**	**54%**	**25%**

Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

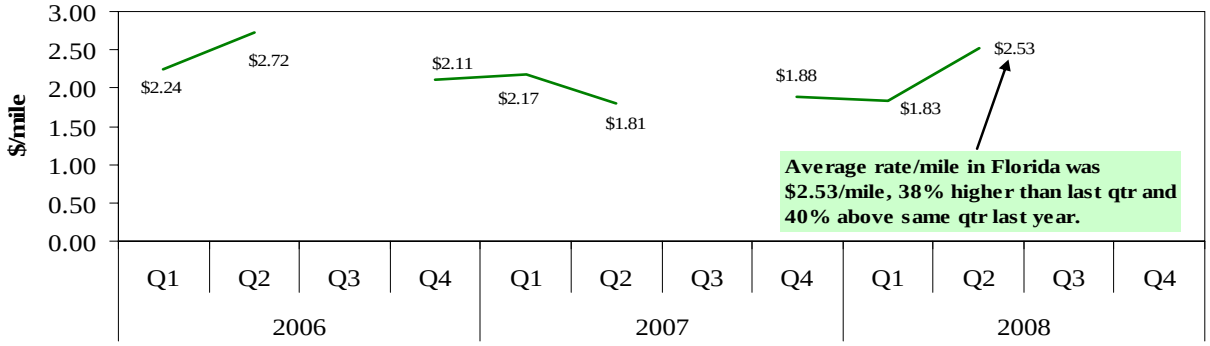
Florida potato shipments were strong during this quarter due nationwide shortage. Tomato shipments would have been higher in the 2nd quarter absent their initial implication in the Salmonella outbreak. First quarter Florida tomato production was affected by a freeze in early January.

Figure 14: Top Five Commodities Shipped from Florida



Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

Figure 15: Florida Truck Rates ($/Mile)



Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch
Note: Reported rates for some quarters could not be determined.

Truck Availability Highlight, 2nd Quarter 2008

There was a shortage of trucks for Central and South Florida citrus, mixed vegetables, and tomatoes during the weeks ending April 29- May 20. There was also a shortage of trucks for melon shipments during the weeks ending April 29-May 20. **(See Table 8).**

Mexico

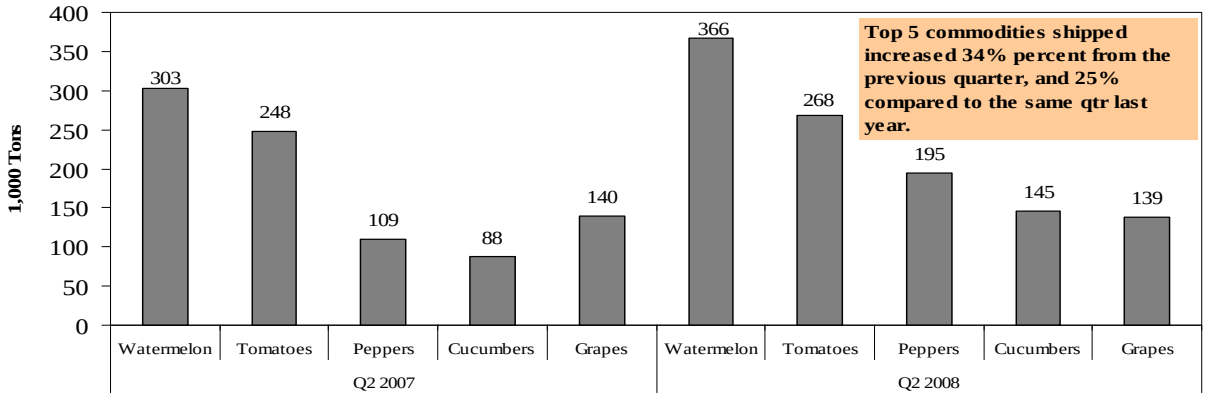
Table 19: Top Five Commodities Shipped from Mexico (1,000 tons)

Commodity	2nd Quarter 2008	Share of Mexico Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from: Previous Qtr	Same Qtr Last Year
Watermelon	366	17%	133	303	175%	21%
Tomatoes	268	13%	330	248	-19%	8%
Peppers	195	9%	216	109	-10%	78%
Cucumbers	145	7%	155	88	-6%	65%
Grapes	139	6%	-	140	-	-1%
Top 5 Total	**1,114**	**52%**	**834**	**888**	**34%**	**25%**
Mexico Total	**2,143**	**100%**	**1,694**	**1,649**	**26%**	**30%**

Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch
Note: "-" indicates no reported shipments during the quarter

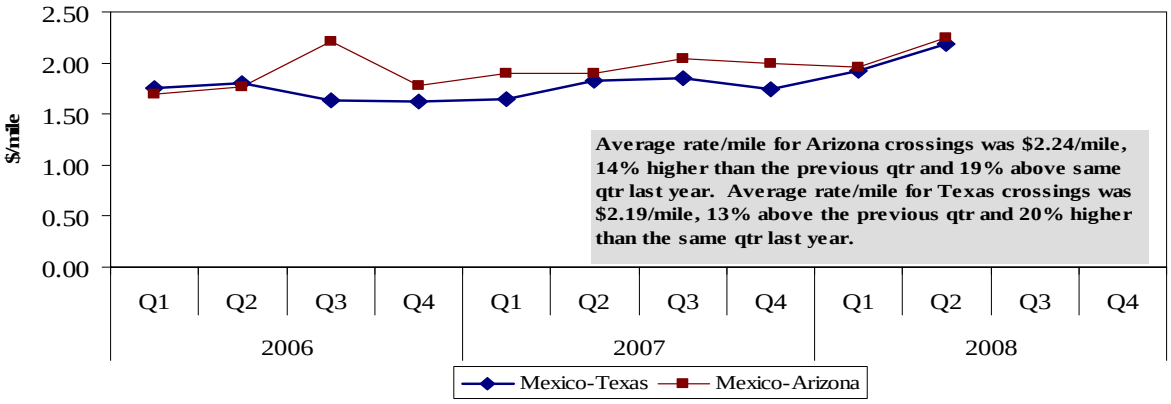
Tomato shipments from Mexico declined due to their initial implication in the Salmonella outbreak, but were above last year's level due to a reduction in acreage in response to low prices in 2007.

Figure 16: Top Five Commodities Shipped from Mexico



Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

Figure 17: Mexico Truck Rates ($/Mile)



Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

Truck Availability Highlight, 2nd Quarter 2008

A slight shortage was reported was reported for citrus, avocadoes, onions and mixed vegetables from Mexico crossings through Texas for the weeks ending April 1-22. A shortage of trucks was reported for citrus, avocadoes, watermelon and mixed vegetables from Mexico through Texas week ending May 13-27 and June 3-10. A shortage of trucks was reported for tomatoes, melons, crossing from Mexico through Nogales, Arizona for the weeks ending May13-29 and June 3. There was a shortage of trucks for grapes from Mexico crossing through Nogales, Arizona for the weeks ending May 20-June 10. A shortage of trucks was reported for mangoes and melons crossing from Mexico through Nogales, Arizona during the week ending June 10. **(See Table 8)**.

Terms and References

Data Sources: This information is compiled from the weekly Fruit and Vegetable Truck Rate Reports by USDA, Agricultural Marketing Service (AMS), Fruit and Vegetable Programs, Market News Branch. The website is http://marketnews.usda.gov/portal/fv

Regional Markets: For the regional markets, some states are grouped into producing regions. The Pacific Northwest region includes ID, OR, and WA. The Great Lakes region includes MI and WI.

Shipment Volumes: Truck shipments for all commodities and origins are not available. Those obtainable are reported, but should not be interpreted as representing complete movements of a commodity. Truck shipments from all states are collected at shipping points and include both inter and intrastate movements. They are obtained from various sources, including Federal marketing orders, administrative committees, Federal State Inspection Service, and shippers. Volume amounts are represented in 10,000 pound units, or 1,000 10-lb packages but are converted to tons for this report.

Rates: This information is compiled from the weekly Fruit and Vegetable Truck Rate Reports. Rates quoted represent open (spot) market rates that shippers or receivers pay depending on basis of sale, per load, including truck brokers fees for shipments in truck load volume to a single destination. Extra charges for delivery to terminal markets, multipickup and multidrop shipments are not included unless otherwise stated. Rates are based on the most usual loads in 48-53 foot trailers from the origin shipping area to the destination receiving city. In areas where rates are based on package rates, per load rates were derived by multiplying the package rate by the number of packages in the most usual load in a 48-53 foot trailer. Slightly cheaper rates will be reported during Quarters 2 and 3 as about 50 percent of onion shipments from California are hauled on open flatbed reefers. During Quarter 3, less than 20 percent of onions hauled from WA, ID, and OR are on open flatbed. This information is compiled from the weekly Fruit and Vegetable Truck Rate Reports by USDA, Agricultural Marketing Service (AMS), Fruit and Vegetable Programs, Market News Branch.

Regional Rates: Rate data for 8 destination markets are used to calculate average origin regional rates.

Long-Haul Route Detail: The national rate on page 3 reflects long-haul truck rates. The rates include the national rate, weighted by commodity and origin volume. For the purpose of this report long- hauls considered as distance traveled over 100 miles from point of origin to the destination.

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Related Websites

Fruit and Vegetable Programs	http://www.ams.usda.gov/fv/mnmovement.htm
Fruit and Vegetable Truck Rate Report	http://marketnews.usda.gov/portal/fv
Economic Research Service	http://www.ers.usda.gov/
National Agricultural Statistics Service	http://www.nass.usda.gov/